

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Continue
Implementation and Administration, and Consider
Further Development of, California Renewables
Portfolio Standard Program.

Rulemaking 15-02-020
(Filed February 26, 2015)

**COMMENTS OF THE INDEPENDENT ENERGY PRODUCERS
ASSOCIATION ON PROJECT VIABILITY ISSUES**

**INDEPENDENT ENERGY PRODUCERS
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Dated: June 3, 2016

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In response to the *Assigned Commissioner and Assigned Administrative Law Judge's Ruling Identifying Issues and Schedule of Review for 2016 Renewables Portfolio Standard Procurement Plans*, issued on May 17, 2016, the Independent Energy Producers Association (IEP) offers these comments.

The Ruling asked parties to comment on (1) whether the requirements the Commission adopted in two decisions relating to project viability are sufficient to meet the requirements of Public Utilities Code section 399.13(a)(4)(A)(iii) and, if so, (2) whether investor-owned utilities should still be required to include the Project Viability Calculator in their least-cost/best-fit (LCBF) bid evaluation methodologies. In Decision (D.) 13-11-024, the Commission adopted a requirement that projects bid into a Renewables Portfolio Standard (RPS) solicitation must have completed a Phase II interconnection study. In D.14-11-042, the Commission required that projects bidding into an RPS solicitation must have achieved “application deemed complete” or equivalent status by the agency designated as the lead agency

under the California Environmental Quality Act or the federal National Environmental Policy Act.

I. THE REQUIREMENTS OF SECTION 399.13(a)(4)(A)(iii)

Section 399.13(a)(4)(A)(iii) requires the Commission to adopt a process for establishing the criteria for the utilities' LCBF evaluation that includes consideration of "the viability of the project to construct and reliably operate the eligible renewable energy resource, including the developer's experience, the feasibility of the technology used to generate electricity, and the risk that the facility will not be built, or that construction will be delayed, with the result that electricity will not be supplied as required by the contract."

The requirements adopted in D.13-11-024 and D.14-11-042—completion of a Phase II interconnection study and achievement of "application deemed complete" status—are relevant to the third criterion, the risk that the facility will not be built or that construction will be delayed. However, these requirements do not have any bearing on the developer's experience or the feasibility of the technology. Thus, the two requirements added by the Commission do not address two of the statute's criteria and do not meet the statute's requirements.

II. THE PROJECT VIABILITY CALCULATOR

Because the requirements of D.13-11-024 and D.14-11-042 are not sufficient to meet the statutory requirements, investor-owned utilities should continue to include the Project Viability Calculator in their LCBF methodologies. The Project Viability Calculator was initiated at a time when the utilities were seeing a high percentage of failure among the projects selected in the RPS solicitations. IEP understands that the Project Viability Calculator, combined with the stricter requirements of D.13-11-024 and D.14-11-042, have greatly reduced the level of project failure. If there are certain elements of the Project Viability Calculator that are no longer needed, the Calculator can be revised and refined. But because the Project Viability Calculator

has succeeded in its intended purpose, it should continue to be part of the utilities' LCBF methodologies.

Respectfully submitted this 3rd day of June, 2016 at San Francisco, California.

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By /s/ Brian T. Cragg

Brian T. Cragg

Attorneys for the Independent Energy
Producers Association

VERIFICATION

I am the attorney for the Independent Energy Producers Association in this matter. IEP is absent from the City and County of San Francisco, where my office is located, and under Rule 1.11(d) of the Commission's Rules of Practice and Procedure, I am submitting this verification on behalf of IEP for that reason. I have read the attached "Comments of the Independent Energy Producers Association on Project Viability Issues," dated June 3, 2016. I am informed and believe, and on that ground allege, that the matters stated in this document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 3rd day of June, 2016, at San Francisco, California.

/s/ Brian T. Cragg

Brian T. Cragg